



CONGRESSIONAL BUDGET OFFICE
U.S. CONGRESS
WASHINGTON, DC 20515

Dan L. Crippen
Director

September 23, 1999

Honorable David R. Obey
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Congressman:

As you requested, we are providing an explanation of our estimate of the budgetary effect of the Young Amendment to H.R. 2084, the Fiscal Year 2000 Transportation Appropriations Bill.

The amendment would rescind \$300 million in unobligated contract authority for the Airport Improvement Program (AIP). In July, CBO estimated that the proposed rescission would result in a \$300 million reduction in budget authority in fiscal year 2000 (with no effect on outlays). At that time, we assumed AIP contract authority would not lapse on August 6, 1999, when authority to obligate was scheduled to expire. This treatment of contract authority was consistent with how such authority for highway programs has been treated in the past.

Contract authority is an unusual form of budget authority, however, and the circumstances under which it expires are unclear. Subsequently, the Administration determined that most of the AIP contract authority did indeed lapse on August 6. Thus, less contract authority is available for rescission than we had originally anticipated. We now estimate that only about \$120 million will be available for rescission, and we will therefore estimate a budget authority reduction of \$120 million, rather than \$300 million, for the Young Amendment.

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If you wish further information on this matter, we will be pleased to provide it. The CBO staff contacts are Victoria Heid Hall. and Robert Sempsey.

Sincerely,

Dan L. Crippen
Director

cc: Honorable C.W. Bill Young
Chairman, House Committee on Appropriations

Honorable Bud Shuster
Chairman, Committee on Transportation and Infrastructure

Honorable James L. Oberstar
Ranking Democratic Member